

2025

RETIREMENT PLAN LIMITS AND CONTRIBUTIONS



The Internal Revenue Service has released the 2025 cost-of-living adjustments (COLA) applicable to pension plan contribution limits. In addition to impacting Social Security beneficiaries, retirement contributions and pension plan benefits are required by law to be adjusted annually for COLA increases. The tables below detail new annual limits and contribution amounts.

IRAs	2025	2024
IRA Contribution Limit	\$7,000	\$7,000
IRA Catch-Up Contributions	\$1,000	\$1,000

Traditional IRA AGI Deduction Phase-Out Starting at	2025	2024
Joint Return	\$126,000	\$123,000
Single or Head of Household	\$79,000	\$77,000

SEP	2025	2024
SEP Minimum Compensation	\$750	\$750
SEP Maximum Contribution	\$70,000	\$69,000
SEP Maximum Compensation	\$350,000	\$345,000

SIMPLE Plans	2025	2024
SIMPLE Maximum Contributions	\$16,500	\$16,000
Catch-Up Contributions	\$3,500*	\$3,500

401(k), 403(b), Profit-Sharing Plans, etc.	2025	2024
Annual Compensation	\$350,000	\$345,000
Elective Deferrals	\$23,500	\$23,000
Catch-Up Contributions	\$7,500**	\$7,500
Defined Contribution Limits	\$70,000	\$69,000
ESOP Limits	\$1,415,000 \$280,000	\$1,380,000 \$275,000

Other	2025	2024
HCE Threshold	\$160,000	\$155,000
Defined Benefit Limits	\$280,000	\$275,000
Key Employee	\$230,000	\$215,000
457 Elective Deferrals	\$23,500	\$23,000
Control Employee (Board Member or Officer)	\$140,000	\$135,000
Control Employee (Compensation-Based)	\$285,000	\$275,000
Taxable Wage Base	\$176,100	\$168,000

*Under a change made in SECURE 2.0, a higher catch-up contribution limit applies for employees aged 60, 61, 62 and 63 who participate in SIMPLE plans. For 2025, this higher catch-up contribution limit is \$5,250.

**Under a change made in SECURE 2.0, a higher catch-up contribution limit applies for employees aged 60, 61, 62 and 63 who participate in these plans. For 2025, this higher catch-up contribution limit is \$11,250 instead of \$7,500.

Source: COLA increases for dollar limitations on benefits and contributions | Internal Revenue Service. (n.d.). Retrieved April 15, 2025, from <https://www.irs.gov/retirement-plans/cola-increases-for-dollar-limitations-on-benefits-and-contributions>

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